

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

YIPIT, LLC d/b/a YipitData

Plaintiff,

v.

ZACHARY EMMETT,
ALEXANDER PINSKY, and
JOHN DOES 1-10,

Defendants.

Case No. 24-cv- 7854 ()

[REDACTED VERSION]

**DECLARATION OF JAMIE MELZER
IN SUPPORT OF PRELIMINARY INJUNCTION**

I, Jamie Melzer, declare as follows:

1. I am Senior Vice President of Investor Revenue at Yipit, LLC d/b/a YipitData (“Yipit”). Unless stated otherwise, I make this declaration based on my own personal knowledge and belief, and could competently testify to the matters stated below if called upon to do so.

2. I have been employed by Yipit since May 2021. I started at Yipit as Vice President of Client and Business Development. In July 2022, I was promoted to my current role, in which I manage all of Yipit’s customer-facing business for investor customers, such as financial institutions, hedge funds, private equity firms, and mutual funds. My responsibilities include directly or indirectly overseeing approximately 98 employees of the Investor Revenue team, which is further divided into five teams: a new logo sales team responsible for identifying and acquiring new investor customers; a client strategy team responsible for servicing investor customer accounts; a business development team made up of account managers responsible for renewing and selling additional products to investor customers; a marketing team; and an Asia Pacific (“APAC”) team.

I. Yipit's Business

3. Yipit is a leading market research firm for the disruptive economy. It analyzes billions of data points on a daily basis to provide accurate, detailed insights on a variety of industries, such as ridesharing, e-commerce marketplaces, payments, and more. It uses proprietary technology to identify, collect, clean, and analyze the data many of the world's largest investment funds and corporations depend on.

4. Yipit has more than 500 customers nationally and internationally. The bulk of Yipit's customers are investment companies, including financial institutions, hedge funds, private equity firms, and mutual funds, who use Yipit's products to gain actionable insights about potential investments and make smarter investment decisions. Yipit also serves major corporate clients in a wide range of industries, providing them with data products designed to increase their own market share, sales, and customer bases.

5. The type of data that Yipit packages and sells to its customers is referred to as "alternative data." Unlike traditional data obtained from conventional sources such as corporate disclosures and financial reports, alternative data relies on a variety of non-traditional sources, such as credit card data, consumer receipts, mobile device data, social media data, and web scraping. The adoption of and market for alternative data has grown significantly in recent years, along with an increase in the number of alternative data providers. Although the field has become more and more competitive, Yipit has maintained its competitive edge by closely safeguarding its proprietary, confidential, and trade secret business information, including customer-specific preferences, pricing, and account strategies, and information regarding the data sources for its products and how its products are differentiated from competitors' products.

6. Yipit compiles alternative data into over 100 research reports, which are then divided into two primary data feeds and several core packages, called the “red,” “blue,” “green,” “cloud,” “medtech,” and “consumer” packages. Yipit’s customers choose which of those products they wish to receive, and reports can be bought on a per stock ticker basis (*e.g.*, data about a specific company) or at the package level (*e.g.*, the “Red” package). Yipit offers individualized pricing based on those selections and the attributes of each customer, such as investment style and fund size. Yipit learns and hones information about its customers’ preferences and attributes through substantial time and effort, including by having account managers engage with and develop customers.

7. Yipit’s customers typically purchase Yipit products on fixed one-year or two-year contracts with upfront payment. The renewal period for each customer is therefore cyclical and critical to Yipit’s customer strategy and account management. In the weeks or months leading up to each customer’s renewal period, an account manager and/or client strategy manager engages with the customer and discusses their product needs, as well as Yipit’s latest offerings and pricing, with them in an effort to retain them as customers and grow the account by selling them additional products.

II. Yipit’s Proprietary, Confidential, and Trade Secret Information

8. To run its business, Yipit develops, maintains, and continuously uses a host of proprietary, confidential, and trade secret information, including:

- (a) Proprietary data sources and collection methodologies that feed into its product offerings, and related guidance to enable its employees to discuss its proprietary products with customers and distinguish them from similar products offered by its competitors;

- (b) Comprehensive customer lists, including the names of actual and prospective customers, contact information, subscriptions, pricing details, and contract renewal dates;
- (c) Individual and cumulative customer analyses, which include, among other things, assessments of the health of its customer accounts, analyses on users and engagement, notes about prior interactions with its customers, the specific strengths and weaknesses in Yipit's relationships with its customers, any long-term threats to its customer relationships, opportunities for expansion, and the risk that specific customers will "churn," *i.e.*, decide not to renew their contracts with Yipit;
- (d) Detailed internal information regarding its product and sector pricing, as well as guidance for employees on any applicable volume discounts; and
- (e) Detailed internal reports for Yipit's products and sectors measuring the current and historical accuracy of its data product reporting.

9. None of this Yipit information is generally known to or readily ascertainable by others in the industry, and all of these materials derive independent economic value from their secrecy. Yipit's proprietary product data sets, methodologies, and pricing and marketing strategies—the equivalent of its "secret sauce" to differentiate its products, ensure they outperform competing products, and generate customer sales and loyalty—are the result of years of confidential development, refinement, and analyses, and cannot be easily replicated. Yipit's other proprietary, confidential, and trade secret information are likewise the product of years of proprietary work. Although a small subset of Yipit's corporate customers are listed on its website, no investor customers are listed on the website, and its full customer lists, including its

full roster of investment fund customers, cannot be readily derived from any general industry knowledge or publicly available sources. In fact, almost all of Yipit's investment fund customers require Yipit to keep their identities, and the fact that they receive services from Yipit, confidential, as investors often guard the sources of their information to prevent competitors from gaining similar insights. Nor is there any industry knowledge or public source from which a non-Yipit employee could derive Yipit's customer pricing lists or strategies, replicate its insights about specific actual and prospective customers, or recreate its account strategies. Yipit developed such customer-specific information through years of work and experience on customer engagement, education, and strategy refinement. Yipit enjoys economic and competitive advantages in a highly competitive industry by keeping all of this information confidential from its competitors, who could use the information to undermine Yipit's pricing, sales, goodwill, and reputation.

III. Mr. Emmett and Mr. Pinsky's Employment at Yipit

10. Zachary Emmett started working at Yipit in August 2019 as a Sales Executive. In that role, he had responsibilities for both new logo sales and account management of investor customers. Around mid-2020, Yipit split those functions into two teams, and Mr. Emmett moved to the business development team to focus on account management, *i.e.*, renewing and growing sales for existing investor customers.

11. There are three levels of individual contributors, or account managers, on the business development team: Business Development Executive, Senior Business Development Executive, and Director of Business Development. Mr. Emmett became a Business Development Executive around mid-2020.

12. Yipit's Investor Revenue team includes twenty business development team members globally and fifteen in the United States. Members of the business development team earn a base salary plus a commission on sales, paid at the end of each month. [REDACTED]

[REDACTED]

[REDACTED]

13. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

14. Around October 2023, Mr. Emmett was promoted to Director of Business Development. His highest sales quarter was Q1 of 2024. By the time he left Yipit in June 2024, he was responsible for about [REDACTED] hedge fund customers, covering a book of business of [REDACTED]

[REDACTED].

15. Alexander Pinsky also started working at Yipit in August 2019 as a Sales Executive. In that role, he had responsibilities for both new logo sales and account management of investor customers. When Yipit split those functions into two teams around mid-2020, Mr. Pinsky became a Business Development Manager overseeing a small team covering Yipit's four largest relationships across its biggest multi-manager and hedge-fund customers. Mr. Pinsky was terminated for performance around December 2022.

IV. Exfiltrated Files and Information

A. Stolen Files

16. I understand that Yipit has uncovered evidence that Mr. Emmett transferred, uploaded, or shared Yipit's proprietary, confidential, and trade secret information with his personal accounts and/or Mr. Pinsky. I have reviewed the nine files that Yipit alleges Mr. Emmett uploaded to Facebook or LinkedIn without Yipit's permission and in violation of his confidentiality obligations ("Stolen Files").

17. Three of the Stolen Files ([REDACTED].pdf; Yipit Apple Battle Deck.pdf; and YipitData Historical Accuracy Tables by Sectors.xlsx) contain Yipit's proprietary, confidential, and trade secret information about its products, including product performance, pricing, and marketing strategies. Based on my understanding and experience, Yipit does not share these files or the details in them with any third parties, and has policies and security measures in place to prevent employees from doing so. The files all contain highly sensitive product or marketing information that Yipit has developed with significant time and effort and that provide Yipit with competitive advantages over its competitors. In particular:

- (a) [REDACTED].pdf is a document that includes highly sensitive and confidential information regarding Yipit's pricing strategy, as well as Yipit's approach for discounting its products. [REDACTED]
[REDACTED]
[REDACTED] A competitor could use this information to inform its business plans and strategically undercut Yipit's pricing.

- (b) **Yipit Apple Battle Deck.pdf** is an internal presentation, marked “Confidential,” concerning Yipit’s AAPL product, which covers sales of Apple purchases. Yipit had recently launched its AAPL product after working for years to develop it and bring it to market. The “Battle Deck” presentation was created to assist Yipit’s revenue team (i.e., including both new logo sales and business development sales to existing customers) in selling the product. It includes a detailed breakdown of the differences between Yipit’s product and those of its competitors; descriptions of the product’s proprietary data sources, accuracy, and methodology; and guidance for pitching the product to clients. Notably, M Science also offers an AAPL product and is Yipit’s competitor for this product.
- (c) **YipitData Historical Accuracy Tables by Sectors .xlsx** is a highly sensitive report containing the current and historical accuracy of all of Yipit’s products and sectors. In other words, this document shows exactly how Yipit’s products performed for every single ticker, on every single earning cycle, including which products are the most and least accurate. In some instances, this document contains more than eight years of historical back-tested data accuracy for Yipit’s products, which were developed through significant time and effort. Although Yipit occasionally chooses to share the accuracy of its data products at a general or high level, it treats the detailed accuracy data and analysis, as well as the compilation of such information, as highly confidential. In a competitor’s hands, this document

is a roadmap of Yipit's strengths and vulnerabilities, which the competitor could use to gain an unfair advantage in cross-selling its products.

18. The information in each of these three Stolen Files is very valuable in Yipit's industry, especially to competitors offering products with similar or overlapping coverage. They contain confidential information about Yipit's product pricing and discount strategies, as well as performance differentiators that are useful in developing or selling competing products.

19. Six of the Stolen Files (████████.xlsx; Book2.xlsx; ██████████ Overlap.xlsx; Top 40 Account Deck.pdf; Copy of Top 40 Account Deck.pdf; and ZEtaxes2024) further contain highly sensitive and proprietary Yipit information about its customers and account strategies. The contents of those files are described in more detail below. Based on my understanding and experience, Yipit does not share the details in these files or any compilation of them with third parties, and has policies and security measures in place to prevent employees from doing so. The files all contain highly sensitive customer and business information that Yipit has developed with significant time and effort and that provide Yipit with competitive advantages in its industry. In particular:

- (a) ██████████.xlsx is a spreadsheet containing a list of all of Yipit's investor and corporate customers and how much they spend annually on Yipit's products on a product-by-product basis. The file also shows Yipit's whole-company annual recurring revenue and is extremely sensitive. This file is named in a way that does not accurately describe its contents and is not how the information would be kept in the ordinary course of business. "████████" is the name of an investor customer that Mr. Emmett handled, so

it appears this document was renamed to make it appear related to Mr. Emmett's responsibilities at Yipit.

- (b) **Book2.xlsx** is a spreadsheet containing a list of all of Yipit's investor customers, the responsible Yipit employees, and the customers' upcoming renewal dates. Additionally, this file includes: assessments of contracts (or portions of contracts) that are at risk for non-renewal, a "churn score" for each customer for how likely (or not) a customer account is to renew, records of meetings and touch points between Yipit employees and specific customers, how much time and engagement the Yipit team gave to each customer, and internal data about the amount of revenue at risk for each customer account. This file is named generically and is not how the information would be kept in the ordinary course of business.
- (c) **[REDACTED] Overlap.xlsx** contains a list of all of Yipit's investor customers by category **[REDACTED]**.
[REDACTED].
 For each customer account, it lists the status of the account, the relevant product subscriptions, the associated Yipit sales and customer service employees, and date of the last update. This file is named in a way that does not accurately describe its contents and is not how the information would be kept in the ordinary course of business. "[REDACTED]" references **[REDACTED]**, which is the name of an investor customer that Mr. Emmett handled, so it appears this document was renamed to make it appear related to Mr. Emmett's responsibilities at Yipit.

- (d) **Top 40 Account Deck.pdf** and **Copy of Top 40 Account Deck.pdf** are copies of an internal presentation deck marked “Confidential,” that describes Yipit’s top 40 customer accounts in the Hedge Fund segment for 2024. The deck contains highly sensitive strategic analysis for each fund’s account, including internal assessments of the health of the account, the Yipit employee managing each account, opportunities for expansion, specific weaknesses or challenges in Yipit’s relationship with each fund, and long term threats to its relationship with each fund. The document also outlines the specific amount of revenue at risk for each account by product offering.
- (e) **ZEtaxes2024** is a highly sensitive and confidential document that lists Yipit’s customers, the Yipit employees managing their accounts, the amount these customers pay annually, and the lengths of these customers’ contracts. This documents appears to have been renamed and has no apparent connection to Mr. Emmett’s taxes.

20. The information in each of these six Stolen Files is valuable in Yipit’s industry, especially to anyone trying to lure away Yipit’s investor customers, including by undercutting Yipit’s pricing or reaching out them at strategic points in time such as shortly before a renewal period. It is also valuable to Yipit’s customers as it provides insights into how Yipit views their business and Yipit’s pricing and strategies to retain and grow their business. Even information specific to an expiring contract or specific renewal date remains valuable for future years because it reveals the customer’s contracting schedule more generally. It also pertains to accounts that Yipit is aiming to continue renewing and grow.

21. I understand that Yipit has also discovered that Mr. Emmett copied and pasted text from a customer churn email to Facebook around May 16, 2024. I have reviewed this text, and it is a confidential internal discussion of the negotiation and loss of an investor customer, including lessons learned from the process and next steps with regards to that customer. This information is highly sensitive to Yipit and valuable to competitors, as it provides Yipit's confidential insights, learnings, and approach for that customer and reveals Yipit's business strategy.

B. Text Messages

22. In addition, I understand that Yipit has discovered text messages between Mr. Emmett and Mr. Pinsky, and that Mr. Emmett sent himself, in the months leading up to Mr. Emmett's departure from Yipit, in which Mr. Emmett shared information relating to Yipit's customers and business strategy and discussed Mr. Emmett's departure from Yipit. I have reviewed the specific text messages relating to misappropriated Yipit information and Mr. Emmett's disloyal behavior, including those described or excerpted in Yipit's complaint.

23. In the text messages, Mr. Pinsky repeatedly asked for, and Mr. Emmett shared, information including prospective investor customers that Yipit was pursuing, the timeline of Yipit's investor customer renewals, and updates about the status, sales amounts, pricing, or product packages of Yipit's investor customers. Mr. Emmett also sent six very lengthy text messages to himself on May 23, 2024, which consisted of copy-and-pasted information about Yipit customers that had churned off of Yipit's products and associated "learnings" and comments. For the same reasons discussed above, this information is highly confidential and sensitive to Yipit's business. It would be valuable to a competitor trying to sell products to Yipit's customers and lure them away.

24. On June 17, 2024, which I understand to be both Mr. Emmett's last day at Yipit and his first day at M Science, Mr. Emmett sent Mr. Pinsky text messages saying that he was going to "do a cross check" on the "account list" to see if there was "any quick upside to grab." Based on my understanding of Yipit's business, the alternative data industry, and the documents that Mr. Emmett misappropriated, I interpret these messages to mean that Mr. Emmett had now obtained an account list from M Science and was cross-referencing it with Yipit's accounts, to see if he could identify vulnerable customers for M Science to steal.

25. The following day, Mr. Emmett texted Mr. Pinsky that he had compiled "a list of current accounts that underpay compared to the distribution of spend" he and Mr. Emmett "discussed." Judging from the context in which these messages appear, and based on my understanding of Yipit's business, the alternative data industry, and the documents that Mr. Emmett misappropriated, I interpret these messages to refer to current M Science accounts that underpay compared to Yipit. This information would be competitively useful because it could help M Science price its products more competitively with Yipit's and also allow M Science to strategically identify which customers to target for a trial of their products and services leading up to a renewal date to try to poach sales.

26. In the last few weeks and through early October 2024, at least five of Yipit's investor customers unexpectedly "churned," *i.e.*, declined to renew completely: [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]. Confidential pricing information and other sensitive details, such as annual spend, proprietary assessments of account health, risks, and strategy for all five of these customers were contained within at least four of the files that Defendants misappropriated

([REDACTED] .xlsx, Book2.xlsx, [REDACTED] Overlap.xlsx, and ZETaxes2024.xlsx). Mr. Emmett was previously the Yipit point person for three of these customers ([REDACTED]). Furthermore, Mr. Emmett had specifically discussed two of the customers ([REDACTED] [REDACTED]) in text messages with Mr. Pinsky and provided Mr. Pinsky with confidential Yipit information about them, including Yipit's renewal dates and prices, the potential value of a deal, and specific advice about how Mr. Pinsky should approach these customers' representatives. Those text conversations provided an exact roadmap that Mr. Pinsky and M Science could use to steal these customers away from Yipit—and indeed, at the very next compensation cycle, they unexpectedly declined to continue *any* services from Yipit. The remaining three customers recently informed Yipit that they were discontinuing Yipit's services and using a competitor's services instead; one of those customers ([REDACTED]) even informed Yipit that it had received better pricing from M Science and opted to sign on with M Science instead.

C. Absence of Authorization or Justification

27. Mr. Emmett never sought or obtained authorization from Yipit to transfer, share, or upload Yipit's proprietary, confidential, and trade secret information, such as the information described above, to his personal accounts or to any third party. In my experience, Yipit would not have granted permission for him to engage in such transfer, sharing, or uploading.

28. There is no legitimate business reason for Mr. Emmett to compile and send Yipit's proprietary, confidential, and trade secret information, such as the information described above, to his personal accounts or to any third party including Mr. Pinsky at M Science. For example, much of the information that he apparently took, shared, or disclosed/used without authorization related to customers (e.g., APAC and Long Only) that were outside of his book of business related to hedge fund customers. There was no logical business reason for him to pull

or compile that information, let alone shortly before his departure to a competitor. Mr. Emmett also did not need, and should not have had, unfettered access to Yipit's documents from his personal accounts or devices in order to perform his work responsibilities. And, of course, there is no legitimate business reason for Mr. Emmett to share Yipit's competitively sensitive files and information with Mr. Pinsky, the employee of a direct competitor; Mr. Emmett was not working with Mr. Pinsky on any Yipit projects.

V. Harm to Yipit

29. Based on my experience, the unauthorized disclosure to third parties of Yipit proprietary, confidential, and trade secret business information of the types that Yipit alleges Mr. Emmett and Mr. Pinsky misappropriated would and did result in irreparable harm to Yipit. Once such information is shared with a third party, it cannot be unshared, and its misuse poses significant risk that Yipit's competitors would be able to unfairly alter their business strategies, including timing of outreach, product pricing, and marketing approach, and poach Yipit's customers. Even if a customer remains with Yipit, such altered business strategies by a competitor risks undermining Yipit's sales strategies, such as by providing Yipit's customers with more leverage in contract or product negotiations.

30. The information that Yipit alleges Mr. Emmett and Mr. Pinsky misappropriated also poses a high risk of lost client relationships and good will that Yipit built up over many years. As noted above, Yipit has already lost at least five customers that were the subject of confidential Yipit information that Mr. Emmett stole and/or shared with Mr. Pinsky.

31. Based on my experience, the loss of one or more customers to a competitor results in substantial and indeterminate harm to Yipit. Yipit invests significant time and effort to build and grow its customer relationships over time, and its alternative data offerings are specialized

products that require significant education in order to develop customers. Customer losses therefore have long-term repercussions and are often irreversible for Yipit. Customers in the alternative data industry also tend to be “sticky”—*i.e.*, they do not usually change providers once they choose one—and increase their product purchases significantly over the course of several years, so the loss of a customer also results in lost investment in the customer and unrealized long-term growth potential. Furthermore, there is significant risk that the loss of customers would harm Yipit’s goodwill and reputation in a highly competitive industry. It is very difficult and time-consuming to regain a customer in the alternative data industry, and the prospects of doing so are unpredictable, because the customer would not only need to regain trust and confidence in Yipit but also sour on the new relationship it develops with one of Yipit’s competitors.

* * *

I declare under penalty of perjury, under the laws of the United States of America, that the foregoing is true and correct to the best of my knowledge.

Executed this 15 day of October 2024, at San Clemente, California.



Jamie Melzer